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Estonia

Exporter Guide

1999

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Report Highlights:

In 1999, economic development in Estonia continued to reflect a fast recovery from the financial crisis in Russia, one of Estonia's traditional export markets. Despite almost flat GDP growth in 1999, the year ended with good prospects for economic development in 2000. Estonia's selection for the first wave of EU membership negotiations in 1998 affirmed its economic strength and future growth prospects. Further support for healthy trade and economic prospects came in the wake of Estonia's WTO membership, which was achieved as of December 1999. While recently implemented tariff rates place European suppliers at a price advantage with zero duty rates compared with MFN rates for U.S. exporters, the Estonian food market holds potential for a wide range of packaged goods targeted at higher/middle income level groups and tourists.

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SECTION I. MARKET OVERVIEW

Economic growth in 1998/99 continued at a relatively slow pace as the overall situation was negatively affected by the serious economic crisis in Russia commencing in the fall 1998. GDP growth in 1999 is tentatively placed at a flat or slightly negative level compared to growth of 4 percent in 1998. For 2000, some leading bank's analysts are predicting even a 5% rate of growth for the Estonian economy -- supported mainly by external demand, which in turn is expected to grow in support of investments and household spending.

The annual inflow of investments into Estonian economy has risen considerably since the early 1990's. Cumulative foreign direct investment amounted to US\$ 1.62 billion as of January 1999, reflecting an annual record amounting to a total of US\$ 530 million. An increasing share of such investments are being directed at such high value added products industries as beverages, bakeries, as well as dairies and meat packing plants. Investments that in 1999 focused on the agro-food sector are estimated at US\$ 28 million. Investment promotion and protection agreements have been signed with Latvia, Italy, Greece, Turkey, Spain, as well as the Belgium-Luxemburg economic union. In 1997, the ratification of an agreement for the mutual protection and promotion of foreign investment with the U.S. was completed and an agreement to prevent double taxation was signed. In 1998 visa regulations entered into force allowing business visa for up to 12 months for the purpose of investing into Estonian economy. Investments in Estonia benefit from the free access to the European market that will soon come with EU accession (see below).

As early as 1998 Estonia was selected to be among the first wave of CEEC countries offered EU membership negotiations (others included Hungary, Czech Republic, Poland, Slovenia, and Cyprus). In 1998 new visa regulations entered into force allowing for a business visa valid for up to 12 months issued for the purpose of investing into Estonian economy. Estonia's joining the WTO in 1999 is expected to further promote the expansion of trade and investment, which in turn may provide a free access to the European market once Estonia becomes a EU country 2005-2006.

Since the mid 1990's, Estonia has managed to improve its trade access to adjacent markets. Free trade agreements have been concluded with EFTA countries (Norway, Iceland, Switzerland, Liechtenstein), the Czech Republic, Slovakia, Slovenia, Turkey, Ukraine, Poland, Hungary, and the Faeroe Islands. Negotiations continue with Bulgaria. In January 1997, the Baltic Free Trade Agreement, effective since 1995, was supplemented by an agreement on agricultural products, eliminating all tariffs and quotas on mutually traded agricultural goods. Viewed strategically, Estonia is attractive gateway to large regional markets, including the St. Peterburg region in Northwestern Russia with a population of 44 million, Belorussia (10.3 million), and the aggregate Baltic market with a combined population of 8 million.

During the early nineties, Estonia was a net exporter of agricultural products, but since 1995 agricultural and food imports surpassed exports resulting in a growing deficit in food products. The product composition of exports include dairy products, livestock, fish and beverages, while imports consist largely of high value added food products: grains, fruits, vegetables, tobacco, beverages. Recently imports of beef, poultry, and pork have increased.

European food exporters have captured market shares with a strong market presence over the last five-six years as a result of proximity, historical ties, good quality products at competitive prices, logistical advantages and a service orientation that is essential for companies with a serious interest in establishing a market presence. In 1999, the EU was the main source of food imports accounting for nearly half (49%) of all food imports into Estonia. Leading EU exports include flour, sugar and grains.

Until January 1, 2000 -- when the Estonian Government imposed MFN duty-bound import tariff rates on countries that had not entered free trade agreements with Estonia -- Estonia's import and export regime was among the most liberal in the world. Such tariff rate changes constitute a part of the process aligning Estonian border measures with those of the EU. Based on newly enforced import tariff schedule, exports from European countries face zero duties, compared to MFN rates for U.S. exports.

The EU is considered the biggest export market for Estonia, although access to the EU is limited by the inability of food manufacturers to fully comply with the Union's quality, sanitary-phytosanitary and packaging standards. The Estonian BFT with the EU envisages lower tariff quotas for certain Estonian agricultural products. Estonia is the first country to conclude negotiations with the Commission on the double-zero pact, whereby EU side gradually dismantles barriers to agricultural trade while Community farm exports to Estonia already enter the country tariff free. The new European Agreement to be signed in 2000 envisage 80% increase of export quotas, and provide an optimistic outlook to this market.

Official GOE trade strategies still include an orientation towards the Russian market seeking to capitalize on Estonia's gateway location even despite the Russia's imposed double tariffs on imports of Estonian goods (mainly due to the fact that the FTA between the Government of Estonia and Russia concluded in 1992 has never been implemented). Russia's financial crisis commencing in the fall of 1998 severely disrupted trade flows between the two countries. In addition, Estonia and other Baltic countries faced the redirected third country agricultural exports from the Russian market that caused a collapse in farm prices across the region and raised pressures for increased protection of the domestic market for selected products. Price competition is still fierce.

In 1999 the average weighted annual rate on long term bank loans in national currency was 8.6% in Estonia. On short term loans the interest was 8.7% on average.

Inflation rates last year decreased considerably compared to earlier years. The prices of goods and services in 1999 rose on average by 3.3%, a significant decline compared to 8.2% in 1998. Food prices decreased by 1.9%.

Total population numbers are on the decline, due to negative birth rates and emigration. The population numbers decreased 8 % between 1990-1999, reflecting the negative birth rate, and emigration of the young non-Estonians. As of January 1999, there were 1.446 million inhabitants in Estonia.

The average monthly household per capita monetary disposable income amounted to \$134. The consumption volumes of most food products are smaller than the optimum basket necessary for healthy

nutrition. The official unemployment rate is 4.5 % of the total labor force. Women account for 48% of some 1.1 million economically active people and contribute to increased demand in meals consumed away from home. The population is getting older. Of the 1.446 million population in Estonia, 26.7 % are retired.

TABLE OF ADVANTAGES AND CHALLENGES

ADVANTAGES	CHALLENGES
U.S. products are considered safe and good quality	Long established consumer preference for domestic fresh products with short shelf life without additives. Most Estonian customers are conservative with a low level of purchasing power that doesn't allow for choice
Retail sector is looking for high processed food imports.	High competition on local market between domestic producers and increasing imports from EU and Baltic FTA neighbors
The general image of U.S. products is positive.	Estonia is a small target market for US products. The country is viewed as a gateway to larger markets in Northwestern Russia, Ukraine, Belarus.
Estonia joined WTO in December 1999	Based on newly enforced import tariff schedule, U.S. exports face MFN rates compared to zero duties for exports from European countries.

SECTION. II. EXPORTER BUSINESS TIPS

Local Business Customs

U.S. products traditionally have had a lower customer awareness due to lack of promotional activities if compared to European products. Several constraints have contributed to the small market presence of U.S. foods so far:

- trade terms from U.S. require advance payment up to two-months,
- the prohibitive assumption of exchange rate risk,
- container purchases viewed as too large for the small Estonian market,
- a perception that persists among Estonian importers that landed costs of U.S. products will be higher compared to European products -- due to added transportation costs,
- a perception that U.S. exporters are simply too far away to service the Estonian market,
- Estonian importers and buyers simply lack information and awareness of U.S. processed food products.

New market entrants will have to be aggressive to overcome the established presence of European suppliers of consumer oriented products. Marketing strategies should emphasize the cultivation of a relationship with a local

company or importer who will then promote any new product, or (alternatively) the establishment of a representative office with agent to handle distribution of goods. The Estonian legal system is presently sufficiently developed to have in place both trademark protection and licensing provisions. At present, there are no laws that regulate the relationship between a foreign company and its distributors or agents. The latter must be established on the basis of specific agreement. There is no specific legal act to regulate franchises yet, and the parties to a franchise agreement are viewed as business partners in increasing numbers of franchise as an effective form of expansion business in Estonia.

Market entry strategies are best pursued via:

- market research in order to estimate product opportunities;
- locating an experienced distributor or independent reliable agent with strategic distribution channels who can advise on import duties, sanitary regulations, labeling requirements, etc.
- advance calculations of the landed cost of a product in order to make price comparisons vis-a-vis competitors.
- initiation of personal contact is advisable in order to discuss marketing. Negotiations of marketing strategies should include funding offers for advertising, slotting allowances, in store promotions and tasting, considerations about the trade fair participation, to raise awareness of the product.

In the event US exporters cannot sell their goods on credit terms, bonded warehouses provide an attractive option -- particularly given the recent growth in their numbers. With the Government's 1997 approval of regulations governing free economic zones, Tallinn's Muuga Port has required fewer customs formalities. This facility is used for storing goods -- including frozen foods. The status of a bonded warehouse guarantees full maintenance of title to the foreign exporter/supplier; while also making it possible to sell goods in small lots directly to local importers and obtain payments before the transaction the same day. In practical terms, if a U.S. exporter has an order from local importers and wholesalers (not able to buy a vessel load), he may want to bring the product to the port, put in a bonded warehouse and sell it in a certain period of time, in small portions to clients on a full down payment basis.

Consumer Tastes and Preferences

Consumer preferences differ significantly among various income, age and ethnic groups. A preference for new products is strong among the younger population, but a significant number of consumers remain "tasting level" buyers. There are long established consumer preferences for domestic fresh products with short shelf lives and free from additives.

No certain attitudes have developed yet regarding biotech (GMO) components, but as an associate member Estonia will in all likelihood follow EU regulations and certification requirements as these evolve. However, concerns do exist about the presence of GMO (biotechnology) ingredients and consumers have shown a distinct interest in organic foods.

On average, consumer demand remains very price sensitive. A negative effect of Estonia's fast economic reform

has been a skewed income distribution and segments of the population which presently function in/near poverty levels. The Social Affairs Ministry declared the line of poverty at US\$ 96 per household member monthly while revealing that some 22% of the population presently living below this income level. The Estonian population is also aging, thus reflecting the approach to retirement age of the post war baby boom generation. The average pension of \$103 per month allows for almost no variety in food purchases.

Estonians spend approximately 9% of their total food dollar eating out. On average, prepared home meals are preferred to out of home dining by nearly half of families where the average income is close to minimum subsistence level. Estonian families are small, with an average of one or two children. With a large proportion of two income families, Estonian consumers prefer meals that are quick to prepare. Therefore, prepared, frozen, and convenience foods should be a key focus of U.S. exporters. Note, however, that stoves, refrigerators, and freezers have much more limited capacity than is the norm in the U.S. and much of Western Europe. Nearly 30% of the population live in rural areas where farming provides the staple mainly due to limited real purchasing power.

In general, since the mid 1990's, incomes have stabilized and have increasingly been able to meet more of consumers basic needs. The gross monthly wage in the public sector totaled \$321 in December 1999, reflecting an increase of 12.6% from the previous year, while the Consumer Price Index stood at 3.3%. The average monthly spending per household member was US\$ 134, of which the proportion spent on food expenditures dropped to 32%.

Opportunities for U.S. suppliers of highly processed dry, chilled, and frozen foods, therefore, currently appear rather favorable over the next 3 to 5 years given the rather rapid increases projected in per capita incomes. Consumption patterns and demand for imported food products has also been affected by an increase in the tourism business, which in 1999 included roughly 3.2 million visitors who generated revenues of roughly \$600 million or some 17 percent of GDP. Another phenomenon contributing to sales of processed food products is the growing number of malls and shopping centers, which contain food shops, restaurants and food markets. Competing European products tend not to be competitively priced. The product mix should exclude short shelf life products.

Food Standards and Regulations

In July 1997 the European Commission came up with Agenda 2000, a summary of Commission's conclusions concerning the Estonia's Application for EU Membership, and on March 31, 1998, the accession negotiations started. During 1997-1999, attempts were continued in harmonizing legal and commercial Acts, veterinary and phytosanitary measures with those of the EU.

Since January 1998, quality and compliance checks of imported food stuffs, additives and supplements was placed in the competence of the Border Control Service under the State Veterinary and Food Inspection. This institution is responsible also for live animals and animal feed. Plant products are controlled by Plant Production Control Center.

The food market is influenced by the health protection regulations. The new Food Law was implemented in January 2000 and regulates the production, trade and distribution of food products, as well as health issues, consumer protection and food control. The Law is based on EU directives. The Law on Packaging require retail food packages labeled with Estonian language statement of producer, origin, ingredients, additives, importer name, and 'best before' date. The Law on Trade Marks regulate registration of trademarks.

Special Laws regulate alcohol, tobacco, meat, dairy product flows, and veterinary and phytosanitary legislation. Other ordinances include the use of additives in foodstuffs, usage and content of artificial flavorings, and respective labeling. Consumer protection in Estonia was a newly developed field with the basic principles provided in the Consumer Protection Act, effective since 1994. The Law on Competition was effected 1998, yet there are no precedents for the application since.

In 1998 Estonia introduced a licensing system for imports of all agricultural and food products. The main objective is to ensure the proper handling of food products in response to consumer concerns over food safety. Only licenced companies are allowed to import foodstuffs into Estonia. In 1999 there were 390 valid licences issued by the Ministry of Agriculture.

The Estonian veterinary legislation applies unified import certification of meat and meat products, dairy products and fish. Currently veterinary legislation is being adjusted to EU accession requirements.

General Import and Inspection Procedures

As of January 1, 2000, Estonian Parliament has enforced a Law on custom tariffs imposing MFN rates on imported goods of all those countries which have not entered free trade agreements with Estonia. Tariff rates can be found www.vm.ee/eng/Tollitariifiseadus.htm. The highest MFN duty rates stand at 25-33% for pork, 48% for poultry meat, 39% for sausages, 10% for chicken legs and wings, 59% for rye, 40-45% for barley and oats. Given current trade flows with countries with which Estonia has already concluded free trade agreements, these MFN custom tariffs presently apply to about one third of all imports. Among Estonia's trade partners, the biggest third countries are Russia, the United States, Canada and New Zealand.

Nearly all imports as well as domestic production, are subject to the value added tax. The present value of VAT is 18% of the transaction value of imported goods plus any charges on imports. Excise duties are levied on tobacco products, alcohol, beer, cars and gasoline. The VAT, import duty, excise and packaging tax is collected by customs authorities upon clearance of imported goods. A state fee must be paid for the customs clearance totaling 200 Estonian Kroons (US\$ 16) per customs declaration. Transit through Estonia is duty free, free of excise, VAT, and state fee.

Import documentation required by customs authorities includes a copy of the contract, an invoice, a bill of lading indicating the amount, weight and value of goods, and the original certificate of origin (form EUR.1 or form A). At the border, an importer or his agent must complete a customs declaration and a customs freight delivery note. All tax payments (18% VAT, import duties, package tax) have to be paid at the border, unless cargo is forwarded to a bonded warehouse.

Imported food and agricultural products need to be cleared through Border Inspection, and sealed to ensure conformity of cargoes with the veterinary and phytosanitary and hygiene requirements. For food imports, a producer's declaration or a food conformity certificate and a quality certificate has been required for food products .

SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

Food Retail Sector

In 1998, food retail stores totaled 2,763 and sales turnover amounted to US\$ 57.5 million, a growth by 6% from 1997 level. Independent grocery stores led the sector by sales totaling US\$ 34.6 million. Over the next 4-5 years the retail sector will increase by 33%, influenced by the expected increase of the consumers purchasing power.

With a large proportion of two income families, Estonian consumers prefer meals that are quick to prepare. Therefore, prepared, frozen, and convenience foods should be a key focus of US exporters. Note, however, that stoves, refrigerators, and freezers have much more limited capacity than is the norm in the US and much of Western Europe.

As consumers in Estonia become more demanding and educated, convenience of shopping has become a major consideration. Convenience is defined as ease of access, competitive prices and a variety of goods sufficient to allow for one stop shopping and parking facilities. The result is the emergence of large self service shopping centers in the outskirts of capital Tallinn, as well as other big cities. Supermarkets have become more influential, especially in suburbs, versus small scale businesses. However, groceries provide quality, service, computerization, and direct supplies from manufacturers. On average, supermarkets and grocery stores carry 2,000 - 3,500 items.

The concentration in retail trade is first revealed by increasing share of enterprises with subsidiaries and branches (50% of food traders). On average, 3-4 shops belong to one business. In 1999, ETK company's chains Konsum, Edu, Maksimarket expanded in numbers (ETK is operating both as a wholesale base and an umbrella for several store chains). Sweden's Dagab, the owner of Estonian REMA-1000 store chain in summer 1999 purchased the majority of Estiko company - owner of the Estonian Spar store chain. Swedish interests intend to purchase the remaining shares of Spar from Rotagrupp. Open air markets control almost 26% of total retail food turnover large segment of food sales, also imported. Market prices are usually lower than those in grocery stores, which makes it difficult for groceries to compete.

For a new to market exporter targeting the Estonian food retail sector, it is advisable to find a professional wholesaler or a local agent with a strategic position in distribution who has the best information about the Estonian market and is able to negotiate and conduct the product introduction and promotion. Among the largest food wholesalers are Smarten, Rotagrupp, Ovekor, Jungent, Hadler, ABE Stock. Estonia's well developed distribution systems include cash and carries operations, and direct delivery service to retail groceries, and chains. This type of distribution provides to seven days credit terms which is popular among buyers. Few

wholesalers undertakes a nation wide distribution and almost none carries a complete range of products.

Food Processing

The food industry maintained its leading position among the other major branches of the Estonian economy. Despite a recession that began in 1991 and the subsequent decline by even 35% between 1993 and 1995 in several branches of the food industry, it still accounts for 30% of total industrial sales in Estonia. Sales value of food industry totaled US\$ 640 million in 1998, a drop by nearly 4% from 1997. Food industry has 15 sub-branches of which dairy industry accounts for 27% of sales value, beverages and drinks industry (20%), fish industry (16%), meat industry (13%), baking industry (10%). There are about 400 active food industries, however, the level of concentration is rather high, as 12 large companies account for nearly 50% of total sales volume. Given the relatively small consumer base in the Baltic region as a whole, the pattern that is most likely to emerge is one of pan-Baltic food sector companies, which will make Baltic food industries more globally competitive.

The large processors mostly purchase raw inputs and food ingredients directly from foreign exporters through their import/ export departments. Companies should be focused primarily on large wholesalers and distributors. Small and medium companies mostly purchase through importers and wholesalers which have direct relationships with foreign suppliers. The choice of foreign supplier often depends on the company's ownership, because part of the stock of some the largest processing plants belong to foreign investor companies, who can base their decisions other than on quality or price.

Privatization of the food industry was almost completed in 1995. Foreign investors have acquired significant interests. The Finnish company Fazer together with a local bank bought a majority stock in Estonian bakery. In the beverage sector, Coca Cola became the largest investor. The brewery Saku was bought by Swedish Procordia and Finnish Hartwall (51% equity together). PepsiCo Eesti, a subsidiary of the worldwide PepsiCo Inc. was established in 1993. The company produces salty Snacks within the Baltic market, and St. Petersburg region. The international Paulig Group opened factory in Saue in 1993. The company produces coffee brands Paula, Olumpia, President, and Juhla Mokka. Spices of Santa Maria are packed in Paulig, Saue. Products are exported to Baltic countries, Ukraine, Belorussia. ESVA frozen fish products have gain popularity in Estonia, Latvia, Lithuania, Russia, and even Finland, Poland, Slovakia. Estonian- Canadian joint venture enterprise produces and trades with mayonnaise, margarine, salad dressings.

Estonian Meat Association unites 10 largest meat processors. A newly-established Estonian Meat Export Agency is expected to promote exports, as obtained European ISO certificate. Rakvere Meat, the leading meat processor with 45% of market, produces about 100 MT meat products daily. Up to 30% of raw material for sausage production - frozen meat is imported from Finland, Denmark, the Netherlands. About 20% of production is exported. In August 1998, Finnish Ruokatalo HK bought 75% of Rakvere stocks.

The dairy industry is the largest sector in food processing (27% of sales). The Estonia's largest dairies merged in 1996 to set up Uhinend Meierid (United Dairies), accounting now for 40% of milk market, 40% of dairy products, and 60% of country dairy exports. In 1999, dairy sector remained stable, despite reduced supplies; competition in market of dairy products is very tight both for inputs and markets. Estonian dairies become active in total Baltic market.

Development of Estonia's food export sector is an official government priority and is tied to an effort at both preserving and enhancing the economy's ability to sustain future growth in such a small domestic market. The economic performance of the Estonian food processing sector deteriorated in 1998 and the first part of 1999 due to increased excess capacity, the scarce competition of processors for raw farm inputs (particularly milk), in line with collapse of the Russian market for exports of agricultural products. Estonia and other Baltic countries faced the redirected third country agricultural exports inflow from the Russian market that caused a collapse in farm prices across the region and raised pressures for increased protection of the domestic market for selected products.

The development of Estonia's food industry is currently hindered by inadequate domestic supply of agricultural raw products, modest purchasing power of domestic consumers, and limited export possibilities. Complicating the latter are the fact that:

- Estonian processed food products do not yet fully comply with EU quality and packaging standards,
- Russia imposes a double rate of customs taxes on Estonian products, and
- the presence of highly competitive imports.

To compete with foreign imports, Estonian manufacturers have to improve packaging, quality, and broaden their product line.

The recently established Estonian Agricultural Commodities Exchange represents an Internet based exchange mechanism to facilitate agricultural and food trade in Estonia <http://www.the-exchange.com>

HRI Sector

A successful hotel/restaurant business has rapidly developed in the last 3-4 years, in many cases as joint ventures with foreign firms. Restaurants cater to increasing numbers of tourists and businessmen. Dining out has become popular within the upper income level groups of the population (10-15%). Some 20% dine out occasionally. Catering services are primarily operated by individual restaurants.

The increased numbers of food businesses in recent years have raised the demand for imported products. Imported meats, poultry, seafood, fruit, vegetables, sauces, spices, corn, snacks, pasta, cheese, cooking oil, cream powder juices, beverages are basic supply items from foreign food exporters through direct orders, or local wholesalers and cash and carry companies. Most companies work with 1-2 suppliers due to little quantitative demand. A centralized supply system for hotels and restaurants doesn't exist, despite the Estonian Hotel and Restaurants Association's efforts to create one in order to cut down on prices.

The introduction of international cuisines essentially changed the profile of restaurants business in Estonia. Indian, Japanese, Italian, Mexican, Chinese, etc. restaurants have been accepted now by local consumers and tourists. These companies use a lot of imported food products and ingredients purchased by direct shipments using personal contacts, or order from importers.

Recently about 130 fast food restaurants started business. McDonald's are not using the franchise scheme in Estonia. Carrols and Hesburger owned by Finns are the main competitors in this market segment. Many newer restaurants specialize in non-traditional food. Pizzerias and Italian bistros are successful projects in creating new customer habits.

SECTION IV. BEST HIGH VALUE PRODUCT PROSPECTS

peanut butter	pasta preparations	tortillas
frozen and tinned seafood	muffins	barbeque foods/sauces
baking chocolate/chips	graham crackers	fresh fruits, vegetables
sherbets	maple syrup	wine
corn meal	enchiladas	jalapenos
marshmallows	flapjacks	

There is an opportunity to establish a market for dry, chilled and frozen processed products. Rather unfamiliar to Latvian consumers are low fat, low salt, sugar free, and cholesterol free products.

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

State Veterinary and Food Inspection

Vaike Paala 3

Tallinn 11415

ESTONIA

T: 372 638 0079

F: 372 638 0210

Plant Products Inspectorate

Teaduse 2

Saku Harjumaa

EE3400

ESTONIA

T: 372 671 2613

F: 372 671 2604

Chamber of Agriculture and Commerce

Vilmsi 53b

10147 Tallinn

ESTONIA

T: 372 600 9349

www.the-exchange.com

For general questions about product import, please contact:

Foreign Agricultural Service

U.S. Embassy Riga

Raina Blvd. 7

Riga LV1510

Latvia

Tel: +371 721 00 06

Fax: +371 722 73 90, 371 7800047

Email: jolika@apollo.lv

Publication of US Poultry Export Guide: Poland, Ukraine, Estonia, Latvia prepared by USDA Agricultural Marketing Service available at <http://www.ams.usda.gov/tmd/mta/index.htm>

For more information on exporting U.S. agricultural products to other countries, please visit the Foreign Agricultural Service home page: www.fas.usda.gov and the FAS/Stockholm regional headquarters office at www.usemb.se/Agriculture.

TABLE A. KEY TRADE & DEMOGRAPHIC INFORMATION

Agricultural Imports From All Countries (\$Mil) /U.S. Market Share (%)*/	786/11
Consumer Food Imports From All Countries (\$Mil)/U.S. Market Share (%)*/	394/19
Edible Fishery Imports From All Countries (\$Mil)/U.S. Market Share (%)*/	39/4
Total Population (Millions)/Annual Growth Rate (%)	1.4/-0.8
Urban Population (Millions)/Annual Growth Rate (%)	0.9/-0.8
Number of Major Metropolitan Areas	1
Size of the Middle Class (Millions)/Growth Rate (%)	0.6/N/A
Per Capita Gross Domestic Product (U.S. Dollars)	3,375
Unemployment Rate (%)	4.5
Per Capita Food Expenditures (U.S. Dollars), year/month	514/46
Percent of Female Population Employed	48
Average Exchange Rate US\$1	EEK 15

**/1997 data (latest available from United Nations database)*

TABLE B. CONSUMER FOOD & EDIBLE FISHERY PRODUCT IMPORTS

Estonia Imports

(In Millions of Dollars)

	Imports from the World			Imports from the U.S.			U.S Market Share		
	1995	1996	1997	1995	1996	1997	1995	1996	1997
CONSUMER-ORIENTED AGRICULTURAL TOTAL	228	297	394	10	18	74	4	6	19
Snack Foods (Excl. Nuts)	37	50	48	1	1	1	0	0	2
Breakfast Cereals & Pancake Mix	1	2	2	1	0	1	2	0	0
Red Meats, Fresh/Chilled/Frozen	5	17	18	1	1	4	13	6	24
Red Meats, Prepared/Preserved	5	6	16	1	2	12	10	29	75
Poultry Meat	9	15	57	7	13	53	71	85	93
Dairy Products (Excl. Cheese)	34	39	66	1	0	1	3	0	0
Cheese	5	7	7	0	1	0	0	0	0
Eggs & Products	1	1	1	0	1	0	0	29	0
Fresh Fruit	14	16	15	1	1	1	0	0	0
Fresh Vegetables	6	7	7	0	0	1	0	0	0
Processed Fruit & Vegetables	11	16	17	1	1	1	1	1	4
Fruit & Vegetable Juices	7	8	10	0	1	1	0	2	1
Tree Nuts	1	3	5	1	1	1	1	2	14
Wine & Beer	14	17	21	1	1	1	2	3	2
Nursery Products & Cut Flowers	6	7	7	1	1	1	2	1	2
Pet Foods (Dog & Cat Food)	2	3	4	1	1	1	1	5	4
Other Consumer-Oriented Products	70	82	94	1	1	1	1	0	1
FISH & SEAFOOD PRODUCTS	15	21	39	1	1	1	5	5	4
Salmon	1	1	2	0	1	0	0	6	0
Surimi	2	3	5	1	1	1	16	17	10
Crustaceans	2	2	1	0	0	0	0	0	0
Groundfish & Flatfish	3	4	6	1	1	1	9	10	2
Molluscs	1	1	1	0	0	0	0	0	0
Other Fishery Products	7	11	25	1	1	1	2	1	3
AGRICULTURAL PRODUCTS TOTAL	360	487	690	16	19	87	5	4	13
AGRICULTURAL, FISH & FORESTRY TOTAL	414	554	789	17	21	88	4	4	11

Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office

**TABLE C. TOP
CONSUMER
FOOD &
EDIBLE
FISHERY
PRODUCT
IMPORTS****ESTONIA IMPORTS****CONSUMER-ORIENTED AG TOTAL (\$1,000)**

	1995	1996	1997
United States	9,882	17,629	73,723
Finland	51,769	55,813	54,819
Netherlands	25,613	26,678	30,852
Denmark	11,676	14,975	25,896
Germany	18,987	22,142	21,515
Lithuania	7,396	13,544	17,487
Sweden	13,202	10,446	16,961
Latvia	8,493	13,422	15,501
Ireland	3,949	5,262	13,531
France	7,450	8,521	12,988
Poland	5,176	10,864	10,758
United Kingdom	5,499	19,827	10,672
Italy	6,059	7,629	8,217
New Zealand	67	2,880	8,001
Spain	4,867	7,176	7,914
Other	47,782	60,023	64,809
World	227,915	296,853	393,679

FISH & SEAFOOD PRODUCTS (\$1,000)

	1995	1996	1997
Norway	3,448	4,943	15,737
Russian Federation	2,670	3,606	5,885
Finland	735	1,023	2,283
Sweden	1,122	1,639	2,113
Netherlands	353	1,608	2,053
United States	733	1,135	1,413
Germany	1,270	1,282	1,362
Denmark	1,090	1,079	1,317
Iceland	341	957	1,140
Mauritania	25	193	1,038
Argentina	42	245	713
Belgium	107	70	673
Latvia	353	548	497
Chile	0	74	463
Lithuania	168	660	372
Other	2,059	2,245	2,306
World	14,520	21,308	39,359